



*State of Louisiana*  
DIVISION OF ADMINISTRATION

OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

KATHLEEN BABINEAUX BLANCO  
GOVERNOR

JERRY LUKE LEBLANC  
COMMISSIONER OF ADMINISTRATION

June 8, 2005

Ms. Patty Parsons  
Financial Services Administrator  
Department of Transportation and Development  
Capitol Access Road  
P.O. Box 94245  
Baton Rouge, LA 70804-9245

Dear Ms. Patty Parsons,

The Office of Statewide Reporting and Accounting Policy includes the Crescent City Connection Division (CCCD) funds in the state's General Fund and Capital Outlay Escrow Fund in the Comprehensive Annual Financial Report (CAFR.) In order for OSRAP to combine CCCD financial information into these funds for the CAFR, we request that the following information be forwarded to our office.

Your office should prepare a statement for the CCCD for the period of 7/1/04 through 6/30/05. The CCCD's general fund, special revenue funds, and debt service funds will be included in the State's General Fund for fiscal year 2005. Accordingly, the statement should include a subtotal for these three fund types. The statement should also include a column for the CCCD's capital project funds. This fund will be combined with the Capital Outlay Escrow Fund, fund 051.

**To prevent duplication of amounts, the statement should include only amounts that are not already reported in the DOTD financial statements or not included in fund 051, such as amounts for construction projects not appropriated in the Capital Outlay Act.**

This information must be forwarded under separate cover to both the Division of Administration, Office of Statewide Reporting and Accounting Policy, and to the Legislative Auditor's Office (Post Office Box 94397, Baton Rouge, Louisiana 70804-9397), no later than **AUGUST 29, 2005**. The affidavits sent to the Office of Statewide Reporting and to the Legislative Auditor must both be original, signed and notarized documents.

Crescent City Connection Division  
June 8, 2005  
Page 2

If you have any questions about these changes, please contact Katherine Porche at (225) 219-4442, or me at (225) 342-0708.

Sincerely,

Afranie Adomako, CPA  
Director

AA:kbp  
Enclosure

**STATE OF LOUISIANA**  
**Crescent City Connection Division**  
Annual Financial Statement  
For the Year Ended June 30, 2005

**CONTENTS**

	<b>Statement</b>	<b>Page No.</b>
Transmittal Letter		
Affidavits		
Balance Sheet	A	1
Statement of Revenues, Expenditures and Changes in Fund Balances	B	2
Schedule 14 – GASB 34 Revenue Accruals		3
Schedule 15 – Comparison Figures		5
Notes to the Financial Statements		6
Additional Information on Note C		Appendix

Schedule No.

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**STATE OF LOUISIANA**  
Annual Financial Statement  
Fiscal Year Ending June 30, 2005

\_\_\_\_\_  
(Agency Name)

Division of Administration  
Office of Statewide Reporting and  
Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana  
70804-9397

**AFFIDAVIT**

Personally came and appeared before the undersigned authority, \_\_\_\_\_ (Name)  
\_\_\_\_\_ (Title) of \_\_\_\_\_ (Agency) who duly  
sworn, deposes and says that the financial statement herewith given presents fairly the financial  
position of \_\_\_\_\_ (Agency) at \_\_\_\_\_ and the results  
of operations for the year then ended in accordance with policies and practices established by  
the Division of Administration or in accordance with Generally Accepted Account Principles as  
prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before  
me, this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Signature of Agency Official

\_\_\_\_\_  
Notary Public

Prepared by: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Date: \_\_\_\_\_

**STATE OF LOUISIANA**  
Annual Financial Statement  
Fiscal Year Ending June 30, 2005

\_\_\_\_\_  
(Agency Name)

Division of Administration  
Office of Statewide Reporting and  
Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

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of operations for the year then ended in accordance with policies and practices established by  
the Division of Administration or in accordance with Generally Accepted Account Principles as  
prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before  
me, this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Signature of Agency Official                      Notary Public

Prepared by: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Date: \_\_\_\_\_

**STATE OF LOUISIANA  
CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
BALANCE SHEET – GOVERNMENTAL FUND TYPES  
AS OF JUNE 30, 2005**

	General Fund	Special Revenue Funds	Debt Service Funds	Subtotal (Memorandum only)	Capital Projects Fund	Total (Memorandum Only)
<b>ASSETS AND OTHER DEBITS</b>						
Assets:						
Cash and cash equivalents	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Investments	_____	_____	_____	_____	_____	_____
Accrued interest receivable	_____	_____	_____	_____	_____	_____
Due from other funds	_____	_____	_____	_____	_____	_____
Property, Plant, and Equipment	_____	_____	_____	_____	_____	_____
Other assets	_____	_____	_____	_____	_____	_____
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>
<b>LIABILITIES AND FUND EQUITY</b>						
Liabilities:						
Accounts payable	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Tag deposits	_____	_____	_____	_____	_____	_____
Accrued interest	_____	_____	_____	_____	_____	_____
Bonds payable	_____	_____	_____	_____	_____	_____
Due to other funds	_____	_____	_____	_____	_____	_____
General obligations bonds payable	_____	_____	_____	_____	_____	_____
Deferred revenue	_____	_____	_____	_____	_____	_____
Total liabilities	_____	_____	_____	_____	_____	_____
Fund Equity:						
Investment in fixed assets	_____	_____	_____	_____	_____	_____
Fund balances:						
Unreserved	_____	_____	_____	_____	_____	_____
Reserved for projects	_____	_____	_____	_____	_____	_____
Reserved for debt service	_____	_____	_____	_____	_____	_____
<b>Total Fund Equity</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

The accompanying notes are an integral part of this statement.

Statement A

**STATE OF LOUISIANA  
CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2005**

	General Fund	Special Revenue Funds	Debt Service Funds	Subtotal (Memorandum only)	Capital Projects Fund	Total (Memorandum Only)
<b>REVENUES</b>						
Interest on investments	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Toll revenue	_____	_____	_____	_____	_____	_____
Scrip revenue – bridge and ferry	_____	_____	_____	_____	_____	_____
Ferry revenue	_____	_____	_____	_____	_____	_____
Highway Fund No. 2	_____	_____	_____	_____	_____	_____
Rental income and other income	_____	_____	_____	_____	_____	_____
Federal grants	_____	_____	_____	_____	_____	_____
Total revenues	_____	_____	_____	_____	_____	_____
<b>EXPENDITURES</b>						
Operational expenditures	_____	_____	_____	_____	_____	_____
Interest expense	_____	_____	_____	_____	_____	_____
Bonds redeemed	_____	_____	_____	_____	_____	_____
Premium on bonds	_____	_____	_____	_____	_____	_____
Bank charges	_____	_____	_____	_____	_____	_____
Total expenditures	_____	_____	_____	_____	_____	_____
Excess (deficiency) of Revenues over Expenditures	_____	_____	_____	_____	_____	_____
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	_____	_____	_____	_____	_____	_____
Operating transfers out	_____	_____	_____	_____	_____	_____
Total other financing sources (uses)	_____	_____	_____	_____	_____	_____
Excess (deficiency) of revenues and other sources over expenditures and other uses	_____	_____	_____	_____	_____	_____
<b>Fund balance at beginning of year</b>	_____	_____	_____	_____	_____	_____
<b>Fund balance at end of year</b>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

The accompanying notes are an integral part of this statement.

Statement B

## Information for Schedule 14 "GASB 34 Revenue Accruals

Schedule 14 is for GASB 34 revenue accruals by funding source, organization number, and object.

Revenues under the modified accrual basis are recognized when they become measurable and available. Under GASB 34, we must also reflect those revenues which have become measurable regardless of availability. Show on Schedule 14 the gross revenues you have earned, which are not reflected on any of the aforementioned schedules. Then list the allowance for uncollectibles by funding sources.

In the last section list, by source, the amounts included but not expected to be collected in one year.



**STATE OF LOUISIANA**  
**CRESCENT CITY CONNECTION DIVISION**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**GASB 34 REVENUE ACCRUALS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

<u>Funding Source (list by name):</u>	<u>Organization #</u>	<u>Object</u>	<u>2004-05 GASB 34 Accrual</u>	<u>2003-04 GASB 34 Accrual reversal</u>
Federal:			\$	\$
Self-Generated:				
Major State Revenue:				
Total GASB 34 accruals (gross)				
Less: Allowance for Uncollectibles (for all funding sources)				
Federal:				
Self-Generated:				
Major State Revenue:				
GASB 34 receivable adjustment net of uncollectibles			\$	\$
Amount Included above not expected to be collected in one year				
Federal:				
Self-Generated:				
Major State Revenue:				
Total amount included above not expected to be collected in one year			\$	\$

SCHEDULE 14

STATE OF LOUISIANA

\_\_\_\_\_ (Agency)

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the state, please complete the schedule below. If the change in revenues or expenditures is more than \$1 million from the previous year's figures, explain the reason for the change.

	<u>2005</u>	<u>2004</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ _____	\$ _____	\$ _____	\$ _____
Expenditures	_____	_____	_____	_____
Capital Assets	_____	_____	_____	_____
Long-term Debt	_____	_____	_____	_____
Explanation for change:	_____			
	_____			
	_____			
	_____			

SCHEDULE 15

# STATE OF LOUISIANA

\_\_\_\_\_(Agency)

## NOTES TO THE FINANCIAL REPORTS FOR THE YEAR ENDED JUNE 30, 2005

### INTRODUCTION

The \_\_\_\_\_ is an agency of the State of Louisiana reporting entity and was created in accordance with Title \_\_\_\_\_; Chapter \_\_\_\_\_ of the Louisiana Revised Statutes of 1950 as a part of the \_\_\_\_\_ branch of government. The \_\_\_\_\_ is charged with \_\_\_\_\_ within the State of Louisiana.

#### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The \_\_\_\_\_ prepared its financial reports in accordance with the procedures established by the Division of Administration. The financial activities of the \_\_\_\_\_ are accounted for on a fund basis whereby a set of separate, self-balancing accounts is maintained to account for appropriated or authorized activities. The information presented herein, is reported under the modified accrual basis of accounting as prescribed by GAAP for fund level reporting.

The general fixed assets and long-term obligations of the agency are not recognized in the accompanying financial reports presented at fund level. All capital assets of the primary government are, however, reported at the government-wide level of reporting, as required by GAAP.

Annually the State of Louisiana issues a comprehensive annual financial report, which includes the activity, contained in the accompanying financial reports. The comprehensive annual financial report is audited by the Louisiana Legislative Auditor.

#### 1. FUND ACCOUNTING

##### General Operating Appropriations

The General Operations Fund is used to account for all general and auxiliary fund appropriated operating expenditures and minor capital acquisitions. All appropriated general and auxiliary operations revenue is accounted for in this fund.

##### Non-Appropriated Funds (describe each Non-Appropriated Fund)

Major State Revenues and Income Not Available - The agency collects major state revenues that are remitted to the State Treasury for deposit to statutorily dedicated funds. In addition, the agency collects funds specifically identified by the Division of Administration - Budget Office as Income Not Available that are remitted to the State Treasury.

Payroll Clearing Fund - The Payroll Clearing Fund is used to account for payroll deductions and accrued benefits.

The non-appropriated funds relating to Major State Revenues, Income Not Available and Payroll Clearing are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

STATE OF LOUISIANA

\_\_\_\_\_(Agency)

**NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005**

2. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial reports. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the \_\_\_\_\_ are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration - Office of Statewide Reporting and Accounting Policy as follows:

Revenues - State General Fund and Interim Emergency Board appropriations are recognized as the net amount warranted during the fiscal year including the 45 day close period.

Fees and self-generated revenues, interagency transfers, federal funds, intrafund revenues, non-appropriated revenues, and other financing sources (with the exception of agency funds) are recognized in the amounts earned, to the extent that they are both measurable and available. (Describe other basis of revenue recognition which differs from this.)

Expenditures - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that obligations of employees' vested annual and sick leave are recorded as expenditures when paid. (List any other exceptions.)

B. IMPREST FUNDS

The agency maintains a permanent Travel and Petty Cash Imprest Fund in the amount of \$\_\_\_\_\_ as authorized by the Commissioner of Administration and advanced by the State Treasurer's Office in accordance with Title 39. The funds are permanently established and periodically replenished from agency operating funds when expenditure vouchers are presented. At June 30, 2005, the petty cash consists of: Cash in Bank Accounts \$\_\_\_\_\_; Petty Cash on hand \$\_\_\_\_\_; and Other Receivables \$\_\_\_\_\_.

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the \_\_\_\_\_ agency may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of savings and loan associations and savings

# STATE OF LOUISIANA

(Agency)

## NOTES TO THE FINANCIAL REPORTS FOR THE YEAR ENDED JUNE 30, 2005

banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

Following GASB Statement 3, deposits were classified into three categories of custodial credit risk depending on whether they were insured or collateralized, and who held the collateral and how it was held.

**GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all deposits by the 3 categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.**

The deposits at June 30, 2005 consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in Bank Accounts per Balance Sheet	\$ _____	\$ _____	\$ _____	\$ _____ -
Bank Balances of Deposits Exposed to Custodial Credit Risk:				
a. Uninsured and uncollateralized	_____	_____	_____	_____ -
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	_____ -
c. Uninsured and collateralized with securities held held by the pledging institution's trust department or agent, <u>but not in the entities name</u>	_____	_____	_____	_____ -
Total Bank Balances - All Deposits	\$ _____	\$ _____	\$ _____	\$ _____ -

NOTE: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

	<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1.	_____	_____	\$ _____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
Total			\$ _____ -

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the Balance Sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the Balance Sheet.

Cash in State Treasury	\$ _____	(MOF, operating, etc.)
Petty cash	\$ _____	

2. INVESTMENTS

The \_\_\_\_\_ agency does (does not) maintain investment accounts as authorized by \_\_\_\_\_ (Note legal provisions authorizing investments by agency).

A. Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are held either by a counterparty or the counterparty's trust department or agent not in the entity's name.

**GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the 3 categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.**

## STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005

Type of Investment	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure	
	Uninsured, *Unregistered, and Held by Counterparty	Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name	Reported Amount	Fair Value
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Government securities	_____	_____	_____	_____
U. S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Commercial paper	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____

\*unregistered - not registered in the name of the government or entity

## 3. Derivatives

The institution does/does not (circle one) invests in **derivatives** as part of its investment policy. Accordingly, the exposure to risks from these investments is as follows:

credit risk \_\_\_\_\_  
market risk \_\_\_\_\_  
legal risk \_\_\_\_\_

## 4. Credit Risk, Concentration of Credit Risk, Interest Rate Risk, and Foreign Currency Risk Disclosures

## A. Credit Risk of Debt Investments

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

**STATE OF LOUISIANA**

(Agency)

**NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005**

<u>Rating</u>	<u>Fair Value</u>
	\$
Total	\$ -

**B. Interest rate Risk**

**1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type.**

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$	\$	\$	\$	\$
U.S. Agency obligations					
U.S. Treasury obligations					
Mortgage backed securities					
Collateralized mortgage obligations					
Corporate bonds					
Other bonds					
Mutual funds					
Other					
Total debt investments	\$ -	\$ -	\$ -	\$ -	\$ -

**2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (e.g. coupon multipliers, reset dates, etc.):**

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
	\$	
Total	\$ -	

**C. Concentration of Credit Risk**



## STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005

List, by amount and issuer investments in any one issuer that represents 5% or more of total investments (not including U.S. government securities, mutual funds, and external investment pools).

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ _____ -	

**D. Foreign Currency Risk**

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies). List by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$ _____ -	\$ _____ -

**5. Policies**

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

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**6. Other Disclosures Required for Investments**

a. Investments in pools managed by other governments or mutual funds \_\_\_\_\_

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005

- b. Securities underlying reverse repurchase agreements \_\_\_\_\_
- c. Unrealized investment losses \_\_\_\_\_
- d. Commitments as of \_\_\_\_\_ (fiscal close), to resell securities under yield maintenance repurchase agreements:
1. Carrying amount and market value at June 30, 2005 of securities to be resold \_\_\_\_\_
  2. Description of the terms of the agreement \_\_\_\_\_
- e. Losses during the year due to default by counterparties to deposit or investment transactions \_\_\_\_\_
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet \_\_\_\_\_

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements \_\_\_\_\_
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year \_\_\_\_\_

Reverse Repurchase Agreements at Year-End

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest \_\_\_\_\_

**STATE OF LOUISIANA**

\_\_\_\_\_(Agency)

**NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005**

- j. Commitments on \_\_\_\_\_(fiscal close), to repurchase securities under yield maintenance agreements\_\_\_\_\_
- k. Market value on \_\_\_\_\_ (fiscal close), of the securities to be repurchased \_\_\_\_\_
- l. Description of the terms of the agreements to repurchase\_\_\_\_\_
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements\_\_\_\_\_
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement\_\_\_\_\_

**Fair Value Disclosures**

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices\_\_\_\_\_
- p. Basis for determining which investments, if any, are reported at amortized cost \_\_\_\_\_
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool\_\_\_\_\_
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares\_\_\_\_\_
- s. Any involuntary participation in an external investment pool\_\_\_\_\_
- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005

estimate \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- u. Any income from investments associated with one fund that is assigned to another fund \_\_\_\_\_  
\_\_\_\_\_

D. GENERAL FIXED ASSETS –CAPITAL LEASES ONLY

List, individually, those items of movable property with a value of \$5,000 or above (attach additional sheets as needed) and those buildings with a value of \$100,000 or above that are under capital leases (See definition on page 20). We no longer need a complete list of General Fixed Assets. The total must agree with the historical cost reflected in Note M(2) Schedule A.

<u>Description of Item</u>	<u>Movable Property Tag No.</u>	<u>Date Acquired</u>	<u>Historical Cost of each item</u>
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

E. INVENTORY OF MATERIALS AND SUPPLIES

In general, inventories are recorded as expenditures when purchased. The cost value of inventory, determined under (perpetual or periodic) inventory system using the (FIFO, LIFO, etc.) valuation method, at June 30, 2005, is \$\_\_\_\_\_. **NOTE: Do not count postage as inventory, include in prepayments, if material.**

F. SEEDS

The agency is in receipt of a seed in the amount of \$\_\_\_\_\_ as authorized by the joint approval of the State Treasurer and the Commissioner of Administration and drawn against the State Treasurer. The seed represents a liability to the unit and must be repaid if not reauthorized annually.

**STATE OF LOUISIANA**

(Agency)

**NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005**

The breakdown of advances by unit are as follows:

	<u>Fund</u>	<u>Date Authorized</u>	<u>Amount</u>
1.	_____	_____	\$ _____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
Total			\$ _____

**G. DEFERRED REVENUE**

Deferred Revenue represents revenue (generally federal) that was received during fiscal year 2005 and not yet earned. Certain federal grants may fit this description. The deferred revenue amount(s) is/are \$\_\_\_\_\_ (federal), \$\_\_\_\_\_ (self-generated), and/or \$\_\_\_\_\_ (IAT).

**H. OPERATING AND CAPITAL GRANTS FOR GASB 34 PRESENTATION**

For OSRAP to complete the GASB 34 presentation, provide the following: the total operating grants and contributions were \$\_\_\_\_\_, and the total capital grants and contributions were \$\_\_\_\_\_.

- 1) Operating Grants – represent total amount of grant revenues for the year that are restricted by the grantor for operating purposes or that may be used for either capital or operating purposes at the discretion of the grantee.
- 2) Capital Grants – represent the total amount of the revenues for the year from grants restricted by the grantor for the acquisition, construction, and renovation to capital assets.

The sum of both should equal your total federal revenues plus federal accruals.

**I. JUDGMENTS, CLAIMS AND SIMILAR CONTINGENCIES**

Obligations and losses rising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund and are not reflected in the accompanying special purpose financial reports. The self-insurance fund is operated by the Office of Risk Management, the state agency responsible for the state's risk management program. Liability for claims and judgments should include specific incremental claim expenditures/expenses if known, or if it can be estimated (e.g., legal fees for outside legal assistance).

NOTE: Should you have claims which have not been submitted to Risk Management, include a schedule of these claims.

**STATE OF LOUISIANA**

(Agency)

**NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005**

Those agencies collecting federal funds, that have been informed that certain of their previously claimed costs were disallowed, should disclose the requested information in the schedule shown below. Show each possible disallowance separately.

<u>Program</u>	<u>Date of Disallowance</u>	<u>Amount</u>	<u>Probability of Payment*</u>	<u>Estimated Settlement Amount</u>
1. _____	_____	\$ _____	_____	\$ _____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____

\* Remote, reasonably possible, probable, or unknown

Claims and litigation cost of \$\_\_\_\_\_ were incurred in the current year.

**J. LEAVE****1. ANNUAL AND SICK LEAVE**

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. Act 343 of 1993 allows members of the Louisiana State Employees' Retirement System, upon application for retirement, the option of receiving an actuarially determined lump sum payment for annual and sick leave which would otherwise have been used to compute years of service for retirement. The liability for unused annual leave payable at June 30, 2005, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section C60.105, is estimated to be \$\_\_\_\_\_.

NOTE: Should you have employees who upon retirement - or their heirs upon the employee's death - are compensated for up to 25 days of unused sick leave, you should include the dollar value of this leave in the annual leave shown above. Civil Service General Circular Number 001155 states that classified employees belonging to the Teacher's Retirement System of Louisiana and to the Louisiana School Employee's Retirement System are not eligible for payment of unused sick leave upon retirement or death. L.R.S. 17:425 on the other hand provides for payment for up to 25 days of unused sick leave for members of these two systems. In Opinion

STATE OF LOUISIANA

\_\_\_\_\_(Agency)

NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005

Number 94-373, the Attorney General opined that the Civil Service Commission had jurisdiction over classified employees and therefore those members are not eligible for payment of unused sick leave. Because the Commission has no authority over unclassified employees, those members are eligible to receive such compensation.

2. Compensatory Leave (Use for Non-Exempt Employees)

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employee's hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2005, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$\_\_\_\_\_.

K. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS PER GASB 12

LRS 42:821 through 42:880 establishes the self-insured and self-funded state employees group health care and life insurance program and authorizes the \_\_\_\_\_ agency to provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the agency's employees become eligible for those benefits if they reach normal retirement age while working for the agency. Monthly premiums are paid jointly by the employees and the employer (from the agency appropriation) for both retirees' and active employees' benefits regardless of whether benefits are provided by Group Benefits or one of the HMOs authorized by Group Benefits. The agency recognizes the cost of providing benefits as an expenditure when paid during the year. For the year ended June 30, 2005, the costs of retirees' benefits totaled \$\_\_\_\_\_, while the number of retirees is \_\_\_\_\_. (As defined by the GASB Statement 12, dependents of a retiree should be counted as a single unit if the retiree is deceased and should not be counted if the retiree is alive.) The cost of retirees' benefits is net of participant's contribution.

L. ENCUMBRANCES

The following are multi-year contracts whose payments are to be liquidated with statutorily dedicated funds **only**: (Show each year separately). General Fund is not shown. An example would be certain payments made by the Department of Natural Resources. Obligations are made against the Wetlands Conservation and Restoration Fund for contracts, which are let for two to five years in the future. Be sure that you do not double count cooperative endeavors that are reported in note U.

Examples:

Wetlands Fund  
Lottery Proceeds Fund

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005

M. LEASE AND RENTAL COMMITMENTS

Lease agreements, if any, have non-appropriation exculpatory clauses that allow lease cancellation if the Legislature does not make an appropriation for its continuation during any future fiscal period. Total operating lease expenditures for fiscal year \_\_\_\_ - \_\_\_\_ amounted to \$\_\_\_\_\_.

1. OPERATING LEASES – Do not include leases on state office buildings financed through Louisiana Office Facilities

Operating leases are all leases which do not meet the criteria of a capital lease. Operating leases are grouped by nature (i.e. office space, equipment, etc.) and the annual rental payments for the next five fiscal years are presented in the following schedule.

**If lease payments extend past FY2020, please create additional columns and report these future minimum lease payments in five year increments.**

Nature of lease	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011- 2015	FY2016- 2020
a. Office space	\$	\$	\$	\$	\$	\$	\$
b. Equipment							
c. Land							
d. Other							
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Rental expense for operating leases with scheduled rent increases is based on the relevant lease agreement except in those cases where a temporary rent reduction is used as an inducement to enter the lease. In those instances, rental expense is determined on either a straight-line or interest basis over the term of the lease, as required by GASB 13, and not in accordance with lease terms. The agency does (does not) have leases with scheduled rent increases due to temporary rent reductions used as an inducement to enter the lease.

2. CAPITAL LEASES AND LEASE PURCHASES-Do not include leases on state office buildings financed through Louisiana Office Facilities

Capital leases are defined as an arrangement in which any one of the following conditions apply (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or (4) the discounted minimum lease payments are 90% of the fair market value of the asset.



STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005

Schedule A should be used to report all capital leases (including new leases, in effect as of June 30, 2005. In schedule B, report only those new leases entered into during fiscal year 2004-2005. Note: LEAF leases should not be shown in Schedule.

SCHEDULE A – CAPITAL LEASES EXCEPT LEAF LEASES

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Cost)</u>	<u>Remaining interest and executory costs to end of lease</u>	<u>Remaining principal to end of lease</u>	<u>Fund that pays lease</u>
a. Office space	\$ _____	\$ _____	\$ _____	_____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Total	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2005:

	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____
Less amounts representing executory costs	( _____ )
Net minimum lease payments	_____
Less amounts representing interest	( _____ )
Present value of net minimum lease payments	<u>\$ _____</u>

**In the table listed above, if lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.**

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Cost)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>	<u>Fund that pays lease</u>
a. Office space	\$ _____	\$ _____	\$ _____	_____
b. Equipment	_____	_____	_____	_____

**STATE OF LOUISIANA**

(Agency)

**NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005**

c. Land				
Total	\$	\$	\$	

Following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2005:

	<u>Total</u>
2006	\$
2007	
2008	
2009	
2010	
2011-2015	
2016-2020	
2021-2025	
Total minimum lease payments	
Less amounts representing executory costs	( )
Net minimum lease payments	
Less amounts representing interest	( )
Present value of net minimum lease payments	\$

**In the table listed above, if lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.**

**3. REVENUE LEASES**

**LESSOR DIRECT FINANCING LEASES**

A lease is classified as a direct financing lease when (1) any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement, and complete the chart below.

<u>Composition of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$	\$	\$
b. Equipment			
c. Land			

**STATE OF LOUISIANA**

(Agency)

**NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005**

Less amounts representing executory costs	( _____ )
Minimum lease payment receivable	_____
Less allowance for doubtful accounts	( _____ )
Net minimum lease payments receivable	_____
Less Estimated Residual Value of Leased Property	( _____ )
Less unearned income	( _____ )
Net investment in direct financing lease	\$ _____

Minimum lease payments do not include contingent rentals, which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2005 were \$ \_\_\_\_\_ for office space, \$ \_\_\_\_\_ for equipment, and \$ \_\_\_\_\_ for land.

The agency received lease revenues for \_\_\_\_\_. Total revenues for fiscal year 2004 - 2005 totaled \$ \_\_\_\_\_. The following is a schedule by years of minimum lease receivable for the five succeeding fiscal years as of June 30, 2005:

	<u>Minimum Lease Receivables</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total	\$ _____

**In the table above, if lease receivables extend past FY2025, please create additional rows and report these future minimum lease receivables in five year increments.**

**4. LESSOR - Operating Lease**

When a lease agreement does not satisfy at least one of the four criteria for reporting as a capital lease (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for leasing organized by major class of property and the amount of accumulated depreciation (optional for Governmental Funds) as of June 30, 2005.

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005

a. Office space	\$ _____
b. Equipment	_____
c. Land	_____
Less: accumulated depreciation	( _____ )
Total carrying amount of property	\$ _____

The following is a schedule by years of minimum future rentals on noncancellable operating lease(s) as of \_\_\_\_\_ (last day of fiscal year): **[Note: If lease receivables extend past FY2015, please create additional columns and report these future minimum lease receivables in five year increments.]**

Nature of lease	FY2006	FY2007	FY2008	FY2009	FY2010	2011- 2015
a. Office space	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____	_____	_____
c. Land	_____	_____	_____	_____	_____	_____
d. Other	_____	_____	_____	_____	_____	_____
Total minimum future rentals	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Contingent rentals received from operating leases for fiscal year 2005 were \$\_\_\_\_\_ for office space, \$\_\_\_\_\_ for equipment, and \$\_\_\_\_\_ for land.

N. RELATED PARTY TRANSACTIONS

List all related party transactions as defined by FASB 57 including the description of all relationships, the transactions, the dollar amount of the transactions and any amounts to or from which result from related party transactions.

O. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

On-behalf payments for fringe benefits and salaries are direct payments made by one entity to a third-party recipient for the employees of another, legally separate entity. One of the two entities party to on-behalf payments for fringe benefits and salaries may be a non-governmental entity. On-behalf payments include pension plan contributions, employee health and life insurance premiums, and salary supplements or stipends.

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005

1. Reporting:

a. Employer Entity:

The amount of revenues recognized (received) during the year plus any receivables at year end by third-party recipients for fiscal year \_\_\_\_\_ is \$\_\_\_\_\_.

The amount of expenditures/expenses when the employer entity is not legally obligated to make payments is recognized as the amount of revenues recognized. The amount of expenditures/expenses recognized for fiscal year \_\_\_\_\_ is \$\_\_\_\_\_.

The amount of expenditures/expenses when the employer entity is legally obligated to make payments is recognized based on the accounting standards applicable to that type of transaction. For example, if contributions are made to a pension plan, the expenditure/expense should be recognized following pension accounting standards. The amount of expenditures/expenses recognized for fiscal year \_\_\_\_\_ is \$\_\_\_\_\_.

b. Paying Entity:

A paying entity would not recognize any revenues for on-behalf payments for fringe benefits.

The amount of expenditures/expenses recognized and classified by the paying entity is the same amount it would use to classify similar cash grants to other entities. The amount of expenditures/expenses recognized for fiscal year \_\_\_\_\_ is \$\_\_\_\_\_.

2. Disclosure:

The following on-behalf payments that are contributions to a pension plan for which the agency is not legally responsible are:

<u>Contributor</u>	<u>Pension Plan</u>
_____	_____
_____	_____
_____	_____

P. PASS-THROUGH GRANTS

Pass-through grants are grants and other forms of financial assistance received by governmental entities to be transferred to or spent, according to legal or contractual requirements, on behalf of secondary recipients, which may or may not be governmental entities or agencies. Pass-through grants are grants which meet any of the following criteria:

**STATE OF LOUISIANA**

(Agency)

**NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005**

The government entity monitors secondary recipients for compliance with program requirements.

The governmental entity determines secondary recipient's eligibility even if the grantor's eligibility criteria are used.

The governmental entity is able to determine how grant funds are to be allocated.

The governmental entity has direct financial involvement in administration of the grant, such as financing part of the program costs for matching purposes or being liable for disallowed costs. This does not apply to incidental administrative costs.

<u>Grant Name</u>	<u>Federal Identification Number</u>	<u>Amount</u>
		\$

**Q. IN-KIND CONTRIBUTIONS**

(List all in-kind contributions that are not included in the accompanying financial reports.)

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/ Fair Market Value as Determined by Grantor</u>
	\$
Total	\$

(NOTE: In-kind contributions represent things of value donated or received by your agency from an outside source which would otherwise create an expenditure to the agency if the agency was required to purchase the goods or services from current resources. Examples are 1) pharmacy items donated to a state hospital from a pharmaceutical company, 2) food items donated to a state prison from the U.S. Department of Agriculture, or 3) donated fixed assets, recorded at fair market value, and also recorded in general fixed assets. Do not include within the in-kind contribution funds contributed by local governments or nonprofit organizations to provide program matching shares.

**R. PAYROLL AND RELATED BENEFITS ACCRUAL**

Agencies will be required to reflect the 2004-2005 accrued personal services cost for this fiscal year on the accompanying financial reports. The following schedule will aid you in doing so. As most agency units pay their employees biweekly this would require a fiscal

**STATE OF LOUISIANA**

(Agency)

**NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005**

year 2003-04 accrual calculation based on eight (8) days and the fiscal year 2004-05 calculation will be based on nine (9) days. Agencies must also determine the federal match on this accrual calculation. Agencies must submit the payroll accrual by program.

	<u>FY 2003-04</u>	<u>FY 2004-05</u>
1. 07/09/04 Payroll (gross & related)	\$ _____	
2. 07/08/05 Payroll (gross & related)	<u>X 80.0%</u>	\$ <u>X 90.0%</u>
2a. Payroll accrual	_____	_____
2b. Add voids and supplementals (off cycle) paid in the 45 day close with prior year appropriations.	_____	_____
3. Total payroll accruals	\$ <u>_____</u>	\$ <u>_____</u>
4. Estimated federal receivable attributed to the accrual shown above	\$ <u>_____</u>	\$ <u>_____</u>
<u>Total Agency Expenditures</u>		
5. Total programs from Schedule 1(or 3-1 if applicable) (Schedule 1, col. V, line 18 or Schedule 3-1, col. V, line 16)		_____
6. Less: 2003-04 accrual from line 3, column 1 above		_____
7. Plus: 2004-05 accrual from line 3, column 2 above		_____
8. This should be the total for <u>all</u> programs		\$ <u>_____</u>
<u>Total Federal Revenue</u>		
9. Federal Funds from Schedule 3, column VIII, line A or Schedule 3-1, column V, line 1 (Federal)		_____
10. Less: 2003-04 accrual from line 4, column 1 above		_____
11. Plus: 2004-05 accrual from line 4, column 2 above		_____
12. Less: Deferred Revenues on Note G (Federal)		_____
13. Total Federal Funds for <u>all</u> programs.		\$ <u>_____</u>
Accrual by Programs:	<u>Payroll</u>	<u>Federal Receivable</u>
Program 1 _____	\$ _____	\$ _____

**STATE OF LOUISIANA**

(Agency)

**NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005**

Program 2		
Program 3		
Program 4		
Program 5		
Total	\$	\$

**S. PER DIEM PAID BOARD (COMMISSION) MEMBERS**

Per diem payments are presented on Schedule 10. The per diem payments are authorized by Louisiana Revised Statute \_\_\_\_\_, and are presented in compliance with Senate Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

**T. CONSULTANT FEES FOR FEASIBILITY STUDIES AND OTHER SPECIAL REPORTS**

Schedule 11 presents professional services payments made for consultant fees for feasibility studies and other special reports. This schedule is prepared in compliance with Senate Concurrent Resolution No. 35 of the Regular Session of 1974.

**U. COOPERATIVE ENDEAVORS**

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

Some cooperative endeavor contracts are not coded with a document type of "COP" on the Contract Financial Management Subsystem (CFMS), but are considered cooperative endeavors. Include these below with your cooperative endeavor contracts coded with a document type of "COP". Examples of contracts that are considered cooperative endeavors, but are not coded with a document type of "COP" include contracts that fall under delegated authority, Facility Planning and Control "CEA" contracts, certain federal government contracts, contracts that legislative auditors may have designated as such within your agency, work incumbent programs, etc. In prior years, this information was requested as supplemental documentation after the AFRs were submitted, usually in October or November.

The liability outstanding for fiscal year ending June 30, 2005, by funding source, is as follows:

<u>Funding Source</u>	<u>Balance</u>
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(Agency)

June 30, 2005

State General Fund	\$	
Self-generated revenue		
Statutorily dedicated revenue		
General obligation bonds		
Federal funds		
Interagency transfers		
Other funds/combination		

NOTE: Amounts in excess of contract limits cannot be used to reduce the outstanding contract balance at June 30, 2005. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

V. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

CFDA Number	Program name	State Match Percentage %	Total Amount of Grant \$
Total government-mandated nonexchange transactions (grants)			

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28

**STATE OF LOUISIANA**

\_\_\_\_\_(Agency)

**NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005**

Certain items are commonly paid for in advance. Examples are insurance premiums and rent. If your prepayments, along with your other adjustments, exceed the materiality levels as discussed on page 2 of the cover letter, you should disclose this amount below. The amount of prepaid expenses, including postage, for this agency at June 30, 2005 is \$\_\_\_\_\_.

**Y. EXPENDITURES, REVENUES, AND PAYABLES (DOTD AND CCCD)**

**1. Construction Fund:**

**a. Expenditures:**

Agency \_\_\_\_\_ appropriation units beginning with CC has expenditures recorded in Fund 051 on 2G06 in the EXPC Account (DOTD) in the amount of \$\_\_\_\_\_.

Agency \_\_\_\_\_ appropriation year \_\_\_\_ appropriation \_\_\_\_\_ has expenditures recorded in Fund 051 on the 2G06 in the EXPC Account (DOTD) in the amount of \$\_\_\_\_\_.

Expenditures not recorded on DOTD's AFR \$\_\_\_\_\_.

**b. Revenues:**

Agency \_\_\_\_\_ appropriation units beginning with CC has revenues recorded in Fund 051 on 2G06 in the REVC Account (DOTD) in the amount of \$\_\_\_\_\_. Note: The difference between expenditures and revenues is \$\_\_\_\_\_ and represents \$\_\_\_\_\_ of CCCD Trust fund replacing Federal funds not received and \$\_\_\_\_\_ of expenses reimbursed then was refunded to DOTD during 2005. This refund is being absorbed by future reimbursement request.

Agency \_\_\_\_\_ appropriation year \_\_\_\_ appropriation \_\_\_\_\_ has revenues recorded in Fund 051 on the 2G06 in the REVC Account (DOTD) in the amount of \$\_\_\_\_\_.

**c. Payables:**

Agency \_\_\_\_\_ appropriation units beginning with CC has payables recorded in Fund 051 on 2G06 in the EXPC Account (DOTD) in the amount of \$\_\_\_\_\_.

Payables not recorded on DOTD's AFR \$\_\_\_\_\_.

Note: The sum of expenditures recorded on DOTD's AFR is \$\_\_\_\_\_ and the amount of CCCD's AFR in the Capital Project Fund is \$\_\_\_\_\_. The difference of \$\_\_\_\_\_ represents a refund recorded on DOTD's AFR

**STATE OF LOUISIANA**

\_\_\_\_\_(Agency)

**NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005**

not being shown on CCCD's AFR. This refund is being absorbed by future reimbursement request.

2. Operating:

a. Expenditures:

Agency \_\_\_\_\_ has expenditures recorded on DOTD's AFR in the amount \$\_\_\_\_\_.

Agency \_\_\_\_\_ has no expenditures recorded in DOTD's AFR.

CCCD recorded expenditures \$\_\_\_\_\_ in the General Fund with a difference in the amount of \$\_\_\_\_\_ which represents the difference between June 2004 payroll accrual in the amount of \$\_\_\_\_\_ and June 2005 payroll accrual in the amount of \$\_\_\_\_\_.

b. Revenues:

Agency \_\_\_\_\_ Federal Revenues has revenues recorded in DOTD's AFR in the amount of \$\_\_\_\_\_.

CCCD recorded \$\_\_\_\_\_ of Federal Grant revenues in the Special Revenue fund.

Agency \_\_\_\_\_ Self-Generated has revenues recorded in DOTD's AFR in the amount of \$\_\_\_\_\_. This amount does not have \$\_\_\_\_\_ (fiscal year \_\_\_\_\_), which was not classified in fiscal year \_\_\_\_\_, but was classified in fiscal year \_\_\_\_\_. The \$\_\_\_\_\_ is going to be refunded out of fiscal year \_\_\_\_\_ and sent as Return of Appropriation to the Treasurer's Office.

CCCD records revenue in the Special Revenue Fund.

c. Payables:

Agency \_\_\_\_\_ has payables recorded in DOTD's AFR in the amount of \$\_\_\_\_\_.

CCCD recorded \$\_\_\_\_\_ of payables in the General Fund with \$\_\_\_\_\_ representing June 2005 expenditures reimbursed in July and with the difference of \$\_\_\_\_\_ representing payroll accruals.

**Z. INFRASTRUCTURE**

Infrastructure is defined as long-lived capital assets associated with governmental activities that normally are stationary in nature and can be preserved for a significantly greater

**STATE OF LOUISIANA**

(Agency)

**NOTES TO THE FINANCIAL REPORTS  
FOR THE YEAR ENDED JUNE 30, 2005**

number of years than most capital assets. Examples include roads, bridges, tunnels, street signage, street lamps, traffic signals, drainage systems, water and sewer systems, dams, and lighting systems.

Each agency with infrastructure assets is required to track infrastructure expenditures to determine if the year's expenditures would be above the \$3 million threshold per infrastructure asset. List individually those infrastructure items with a value of \$3,000,000 per infrastructure asset, per year:

<u>Description of Infrastructure</u>	<u>Cost</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____

**AA. LAND AND LAND IMPROVEMENTS (not reported to State Land Office or Facility Planning and Control)**

Some agencies may acquire land or make land improvements that are not reported to the State Land Office or Facility Planning and Control. Land improvements are those betterments, improvements, and site preparations that ready land for its intended use. Some examples of land improvements would be excavation, filling, grading, demolition of existing buildings, and removal or relocation of other property (telephone or power lines). Other land improvements are built or installed to enhance or facilitate the use of the land for a particular purpose and may include walking paths and trails, fences and gates, landscaping, sprinkler systems, fountains, and beaches. Land and land improvements should be reported at cost, estimated cost, or estimated fair value at date of acquisition and should include all expenses necessary to obtain title such as legal fees.

List individually all land acquisitions and any improvements to land that the agency has made during the fiscal year that is not reported to the State Land Office or Facility Planning and Control:

<u>Description of Land or Improvement</u>	<u>Cost</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____

**BB. OTHER ASSETS**

Other assets consist of the following:

<u>Description of Other Assets</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____

## Appendix

Procedures: Supplemental Instructions for Preparation of Annual Fiscal Report  
Information for Note C “Deposits with Financial Institutions and Investments”  
(GASB Statement 3 amended by GASB Statement 40)

### I. Purpose:

Note C provides the required disclosures about the governmental entities’ deposits with financial institutions and investments. The disclosures required for deposits and investments as of the fiscal year ended date provides information about the credit risk and market risk of the deposits and investments and are designed to provide users of the financial statements information about the potential for losses associated with the deposits and investments. GASB Statement 40 has modified or eliminated portions of GASB Statement 3 including:

- modified the custodial credit risk disclosures of Statement 3 for deposits and investments to limit the required disclosure to only those exposed to custodial credit risk (similar to GASB 3’s category 3).
- established or modified disclosure requirements related to concentrations of credit risk of investments, credit risk of debt investments, and interest rate risks of debt investments (including sensitivity to changes in interest rates), and
- established disclosure requirements for foreign currency risks for both deposits and investments.

Although GASB Statement 40 eliminated some of the disclosures required for custodial credit risk (the 3 categories for example), the total reported amounts of all deposits and investments must still be reported.

### II. Comparison of amounts disclosed per requirements in Note C to amounts shown on the Balance Sheet (if Balance Sheet is required as part of AFR packet):

- Generally, the amounts of cash and investments on the balance sheet will not be classified exactly the way they would be classified in Note C.
- “Deposits with Financial Institutions” and “Investments” in Note C may be reported on the balance sheet using titles or line items that are different than those in Note C, or they may be combinations of titles or line items. For instance, “Deposits” in Note C may come from several line items on the balance sheet such as “Cash in Bank” and “CD’s”, or even “Investments” (See section III below that gives further guidance on what should be considered “Deposits” in note C).
- Line items on the balance sheet may include amounts that would be deposits in Note C, and may also include amounts that would be investments in Note C. Also, cash and cash equivalents line items on the balance sheet may include amounts that are not deposited in bank accounts of the entity and therefore would not be reported in Note C as deposits but as separate line items such as petty cash, cash on hand, and treasury cash. These amounts must be reported separately from the deposits in Note C.
- Each line item on the balance sheet that involves cash or investments, including any restricted cash and/or investments, needs to be analyzed to determine what is included in the item and how it should be disclosed in Note C.

### III. “Deposits with Financial Institutions” section of Note C:

- Generally, this section of the Note C disclosure refers to the various examples of “Deposits with Financial Institutions” (See “A” below for examples). The term “cash and cash equivalents” is used in reference to GASB Statement 9 that affects presentation for the balance sheet and statement of cash flows, not the note disclosures required by

GASB Statement 3 & 40. "Deposits with Financial Institutions" include deposit accounts in banks, savings and loan associations, and credit unions. They can be demand, savings, or time accounts, including negotiable order of withdrawal (NOW) accounts and non-negotiable CD's. As stated previously, deposits for Note C may be a combination of balance sheet line items or titles.

- Do not include treasury cash, petty cash not in a bank account, or cash on hand in Note C as part of the deposits in bank accounts. As mentioned previously, these amounts would be reported separately.

A. Examples and/or definitions:

Nonnegotiable Certificates of Deposit – Nonnegotiable CDs are time deposits that are placed by depositors directly with financial institutions and generally are subject to a penalty if redeemed before maturity. These are treated as deposits for GASB 3 Note C disclosures. (Negotiable CDs are securities that are normally sold in \$1 million units that are traded in a secondary market. These are treated as investments for Note C disclosures.)

Money Market Accounts – financial institution "money market" accounts are simply deposits that pay interest at a rate set to make the accounts competitive with money market mutual funds. They should be treated like any other deposit account for Note C disclosures.

Bank Investment Contracts (BICs) – A BIC is a general obligation instrument issued by a bank, typically to a pension plan, that provides for a guaranteed return on principal over a specified period. Since these are issued by a bank, they are treated as deposits for Note C disclosures.

B. Other definitions as applied to deposits:

Insured (Insurance) – deposits are insured by federal deposit insurance (FDIC), state deposit insurance, multiple financial institution collateral pools that insure public deposits, and even commercial insurance (if scope of coverage would be substantially the same as FDIC).

Collateral – Security pledged by a financial institution to a government entity for its deposits.

IV. "Investments" section of Note C:

- Types of investments for listing investments by type definitions/examples:
  1. Repurchase Agreements – An agreement in which a governmental entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower): the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for a) the same securities, or for b) different securities.
  2. U.S. Government Obligations – examples include treasury bills, treasury notes and treasury strips; obligations of certain U.S. Government Agencies such as FNMA, FHLB, or SLMA.
  3. Common & Preferred Stock – a security that represents an ownership interest in an entity.
  4. Commercial Paper (mortgages, notes, etc.) – An unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. Almost all commercial paper is rated as to credit risk by rating services.
  5. Corporate Bonds

6. Other (identify) – It is not appropriate to present material amounts of investments as “Other”, unless the note disclosure describes the composition of the “Other” category.

The following are examples of other investments:

- a. Closed-end Mutual Fund – The investment company sells shares of its stock to investors and it invests on the shareholders’ behalf in a diversified portfolio of securities. A closed-end mutual fund has a constant number of shares, the value depends on the market supply and demand for the shares rather than directly on the value of the portfolio, the fund does issue certificates, and the securities are traded on a stock exchange.
- b. Open-end Mutual Funds – The investment company sells shares of its stock to investors and it invests on the shareholders’ behalf in a diversified portfolio of securities. In contrast to a closed-end mutual fund, the open-end mutual fund creates new shares to meet investor demand, the value depends directly on the value of the portfolio, and the fund does not issue certificates but sends out periodic statements showing account activity. These investments are not evidenced by securities that exist in physical or book entry form.
- c. Reverse Repurchase Agreements - An agreement in which a broker-dealer or financial institution (buyer-lender) transfers cash to a governmental entity (seller-borrower); the entity transfers securities to the broker-dealer or financial institution and promises to repay the cash plus interest in exchange for a) the same securities, or for b) different securities.
- d. Investments in pools managed by another government - Generally, these investments would not be exposed to custodial credit risk because the investments themselves are not evidenced by securities that exist in physical or book entry form.
- e. Private placements, such as venture capital and limited partnerships
- f. Investments in real estate, annuity contracts, and direct investments in mortgages

#### V. Risk Disclosures for Deposits and Investments:

- Deposits and investments are subject to several types of risks, mainly credit risk, market risk, interest rate risk, and foreign currency risk.

Credit risk - defined as the risk that a counterparty to an investment transaction will not fulfill its obligations and can be associated with the issuer of securities, with a financial institution holding deposits, or with a party holding investment or collateral securities.

Concentration of credit risk – defined as the risk of loss attributed to the magnitude of a government’s investment in a single issuer.

Market risk – defined as the risk that the market value of investment securities, collateral securities protecting a deposit, or securities of a repurchase agreement will decline.

Interest rate risk – defined as the risk that changes in interest rates will adversely affect the fair value of an investment.

Foreign currency risk – defined as the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

#### A. Custodial Credit Risk Disclosures for Deposits:

Following GASB Statement 3, deposits were classified into three categories of custodial credit risk depending on whether they were insured or collateralized, and who holds the collateral and how the collateral is held.

Collateral – Securities pledged by the financial institution for the purpose of securing the governmental entity’s deposits.

Collateralized – When the entity's deposits are secured with securities pledged by the financial institution holding the deposits.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all deposits by the 3 categories of risk listed above. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

#### B. Custodial Credit Risk Disclosures for Investments:

Following GASB Statement 3, investments (listed by type) were either classified into three categories (depending on whether they are insured or registered and who holds the securities and how they are held), or listed as non-classified investments.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the 3 categories of risk listed above. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. However, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name.

#### C. Additional Risk Disclosures for Required by GASB Statement 40:

Credit Risk - Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

Interest Rate Risk - Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years of those investments. In addition, list the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (e.g. coupon multipliers, reset dates, etc.):

Concentration of Credit Risk - List, by amount and issuer (not including U.S. government securities, mutual funds, and investment pools), investments in any one issuer that represents 5% or more of total investments.

Foreign Currency Risk - Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies). List these by currency denomination and investment type, if applicable.

Deposits and Investments Policies Relating to Risk - Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, that fact should be stated.

#### VI. Securities as Applied to Credit Risk of Deposits and Investments:



Securities defined – a transferable financial instrument that evidences ownership or creditorship. Securities can be in either paper or book-entry form.

1. Examples of securities that are often held by or pledged to (as collateral) governmental entities include:

- a. treasury bills, treasury notes, treasury bonds
- b. federal agency obligations
- c. corporate debt instruments (including commercial paper)
- d. corporate equity instruments
- e. negotiable CD's (keyword here is negotiable)
- f. bankers' acceptances
- g. shares of closed-end mutual funds (keyword here is closed-end)
- h. shares of unit investment trusts

2. Instruments or investments that are not securities include:

- a. investments made directly with another party (such as limited partnerships)
- b. real estate
- c. direct investments in mortgages and other loans
- d. investments in open-ended mutual funds (keyword here is open-ended)
- e. pools managed by other governments
- f. annuity contracts